

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

**Re: Docket No. 875**

**CERTIFICATION OF COUNSEL  
REGARDING PROPOSED ORDER REJECTING A  
SUBLEASE, PURSUANT TO SECTIONS 105(a), 365(a),  
AND 554 OF THE BANKRUPTCY CODE AUTHORIZING  
THE DEBTORS TO (I) REJECT THE SUBLEASE, EFFECTIVE  
AS OF THE REJECTION DATE; AND (II) ABANDON PERSONAL PROPERTY**

---

On January 30, 2025, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ Twelfth Omnibus Motion for Entry of an Order, Pursuant to Sections 105(a), 365(a), and 554 of the Bankruptcy Code Authorizing the Debtors to*

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

*(I) Reject Certain Unexpired Leases and a Certain Unexpired Sublease, Effective as of the Rejection Date; and (II) Abandon Personal Property* [Docket No. 875] (the “Motion”). A proposed form of order approving the Motion was attached thereto as Exhibit A (the “Proposed Order”). A schedule of the unexpired leases, including the sublease (the “Sublease”), subject to rejection (the “Rejection Schedule”) was appended to the Proposed Order as Schedule 1.

The deadline to file objections or otherwise respond to the Motion was established as February 6, 2025 at 4:00 p.m. (ET) (the “Objection Deadline”). Prior to the Objection Deadline, The ChildSmiles Group, LLC, a/k/a Abra Health, LLC (“Abra Health”) filed a limited objection to the Motion [Docket No. 933] (the “Limited Objection”) and Harmon Meadow Suites LLC (the “Landlord”) filed a response to the Limited Objection [Docket No. 1221] (together with the Limited Objection, the “Responses”).

To resolve the Responses, the Debtors have revised the Proposed Order (including the Rejection Schedule attached thereto), as reflected in the proposed order attached hereto as **Exhibit A** (the “Sublease Order”). For the convenience of the Court and other interested parties, a blackline comparing the Sublease Order against the Proposed Order is attached hereto as **Exhibit B**.

WHEREFORE, the Debtors did not receive any objections or responses other than those described herein, and Abra Health and the Landlord do not object to entry of the Sublease Order, the Debtors respectfully request that the Court enter the Sublease Order without further notice or a hearing at the Court’s earliest convenience.

*[Remainder of Page Intentionally Left Blank]*

Dated: May 19, 2025  
Wilmington, Delaware

*/s/ Allison S. Mielke*

---

**YOUNG CONAWAY STARGATT &  
TAYLOR, LLP**

Edmon L. Morton (Del. No. 3856)  
Matthew B. Lunn (Del. No. 4119)  
Allison S. Mielke (Del. No. 5934)  
Sheila Borovinskaya (Del. No. 6758)  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253  
Email: emorton@ycst.com  
mlunn@ycst.com  
amielke@ycst.com  
sborovinskaya@ycst.com

*Co-Counsel to the Debtors  
and Debtors in Possession*

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)  
Nicole L. Greenblatt, P.C. (admitted *pro hac vice*)  
Derek I. Hunter (admitted *pro hac vice*)  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Email: joshua.sussberg@kirkland.com  
nicole.greenblatt@kirkland.com  
derek.hunter@kirkland.com

- and -

Mark McKane, P.C. (admitted *pro hac vice*)  
555 California Street  
San Francisco, California 94104  
Telephone: (415) 439-1400  
Facsimile: (415) 439-1500  
Email: mark.mckane@kirkland.com

*Co-Counsel to the Debtors  
and Debtors in Possession*